

raised catfish. The truth is that it is not farm raised, and I am not even sure it is catfish. Last year, imports of Vietnamese catfish totaled 7 million pounds, more than triple the 2 million pounds imported in 1999 and more than 12 times the 575,000 pounds imported in 1998.

In Vietnam, these so-called catfish, also known as basa, can be produced at a much lower cost, due to cheap labor and less stringent environmental regulations. In fact, many of these fish are grown in floating cages in the Mekong River, exposing the fish to pollutants and other conditions. They are then dumped into American markets and often marketed as farm-raised catfish. Many catfish producers believe that these imports have taken away as much as 10 percent of our markets here at home.

It is really quite simple. Farmers do not mind competition, but they do mind when the competition is unfair and untruthful. This is why today my colleagues, including the gentleman from Arkansas (Mr. BERRY), the gentleman from Mississippi (Mr. SHOWS), and the gentleman from Mississippi (Mr. PICKERING) introduced, along with me, a bipartisan bill, H.R. 2439, the Ross-Berry-Pickering bill, that would amend the Agricultural Marketing Act of 1946 to require retailers to inform consumers of the country of origin of the fish that they sell.

Under the bill, all fish would be covered. Each retailer would be required to notify the consumer at the final point of sale of the country of origin of the fish. And a fish product could only be designated as being from the United States if it is from a farm-raised fish that is exclusively born, raised, and processed in the United States.

When our consumers go into the store and ask for farm-raised catfish, they deserve to know what they are getting is actually farm raised and catfish. By letting consumers know where the product is coming from, this bill will encourage the people in Arkansas and all across America to buy catfish grown by our farm families, not fish grown in a polluted river in another country.

I urge my colleagues to join me in protecting consumers and to support a level playing field for America's farm-raised fish producers by supporting this measure.

TRIBUTE TO THE LATE JUDGE STANLEY MOSK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

Mr. WAXMAN. Mr. Speaker, I want to take this opportunity to join others from our California delegation in paying tribute to the memory of Justice Stanley Mosk; to salute his career and the legacy that he has left for the people of California and for the people of this country.

Justice Mosk was in public service for 60 years. He was a trial judge on the Superior Court of Los Angeles. He served as the Attorney General for the State of California. He was the longest serving member in the State Supreme Court's 151 year history. He served on the court for 37 years under five chief justices until his death at the age of 88 on June 19. During that period of time, he wrote almost 1,700 opinions, including landmark rulings that established new precedents in civil and criminal law.

I also want to speak not just to the accomplishments and positions that Justice Mosk held, but to the fact that in this country we now take for granted that people from different racial and ethnic groups serve in public office. It is not surprising to people any longer to see people of different ancestry being out front as public officials. Last year, when Senator JOE LIEBERMAN ran on the national ticket for vice president, it was a first, but it really brought about no particular reaction in the country one way or the other. He was judged as an individual on his candidacy, on his program, and on his service.

Well, when Stanley Mosk ran for office as the first American Jew running for statewide office in California, people were very nervous about his candidacy. In those days, American Jews were very active in politics, they were active in public service, but there was an enormous hesitancy to run for public office, to be out front in public office and to be in a visible position. When Justice Mosk ran for Attorney General, there was a lot of concern and trepidation about his candidacy, but he was elected with the largest majority of any of the candidates in that year.

Those of us who are Jewish and from California looked at his career and his accomplishments with an enormous sense of pride because he lived up to the highest standards of anybody in public office. He was a forerunner for people of Jewish background and religion to be in public office, and now it is not unusual at all. When I ran, over 25 years ago, for the House of Representatives, even as of that recent time, I was the first Jewish American to be elected ever in Southern California, and the first one in the State of California in 40 years.

I think that the fact that we have American Jews in districts with large Jewish populations and States with no Jewish populations to speak of is a tribute to America. But it is also because of the role that a man like Stanley Mosk played because when he took the positions that he took as a judge, as the Attorney General, as a justice of the State Supreme Court, he remembered that he was a forerunner for other Jews and he remembered also that other Americans of various minority backgrounds were going to be faced with hurdles and his knowledge of that fact led him to be a champion of civil rights and individual liberties.

I will not reiterate all the accomplishments, the policies that he set out. Some of my colleagues have done so in their remarks today. But I do want to note for everyone that Justice Mosk stands as a giant in the judicial field and as a great public servant for the State of California in every capacity in which he held that position. He was a mentor to a whole generation of Jewish activists, and he will be well remembered and sorely missed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members not to refer to individual Senators.

AMERICA'S ENERGY POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 60 minutes as the designee of the minority leader.

Mr. DEFAZIO. Mr. Speaker, this evening I rise, hopefully to be joined by others, to discuss the energy situation in the United States of America. It was James Watt, when President Bush unveiled the national energy policy, so-called here in this blue book, who said, "Well, they just took out my work of 20 years ago." This is James Watt, mind you, not exactly an enlightened individual when it comes to present-day energy policy. He said, "They just dusted off my work of 20 years ago. It is really good work." A 20-year-old energy policy for the 21st century?

Well, after I read through it, upon hearing Mr. Watt's comments, I would observe it a little differently. I would say this is not James Watt's energy policy of 1980, this is actually our father's energy policy. It is much more 1950s energy policy. It is Dick Cheney's energy policy, and it reflects a bygone era of limitless frontiers, dig, drill, and burn. It is not and does not offer America a new sustainable and more affordable energy path to the next century.

So we will be talking about that a bit tonight, about electricity, electric deregulation, and other subjects. But before I go there, I would like to recognize the gentlewoman from California who introduced important legislation today in the area of our future energy supply to talk a bit about her proposal.

Ms. WOOLSEY. Mr. Speaker, I want to thank my colleague from Oregon for organizing this special order tonight because the timing is absolutely perfect. We have just returned from the July 4 district work period and House committees are gearing up to tackle energy policy.

Since passing the national Energy Policy Act in 1972, Congress has generally ignored energy issues, but energy problems in California and higher prices for natural gas and oil throughout the country have brought energy back to the top of our Nation's agenda.

We are finally beginning to realize that the debate over the Nation's energy policy will probably be, if not the, one of the most important issues addressed in this Congress.

The energy shortage we are experiencing in California is a signal to be heeded by the rest of the country. The signal is that the Congress must raise the stakes in search of a sensible energy policy because, obviously, what we are doing is not enough. I am here tonight to remind my colleagues that as Congress and the administration work to forge a long-term energy policy, it is absolutely imperative we make a true commitment to renewable energy sources, to efficiency, and to conservation in order to prevent a future energy crisis and to protect our environment.

As the ranking Democrat on the Subcommittee on Energy of the Committee on Science, I am working to do just that. In fact, as the gentleman from Oregon (Mr. DeFAZIO) mentioned, earlier today I introduced CREEEA, the Comprehensive Renewable Energy and Energy Efficiency Act of 2001. It is to be used as a blueprint for renewable energy sources and energy efficiency measures. It is to ensure that we make renewable energies a more important part of any national energy policy we put in place in this country.

We can no longer afford to make large investments in outdated energy technologies, like fossil fuels, coal, and nuclear. Increasing our reliance on 20th century technology is not in the best interest of the 21st century, and it is certainly not an answer to our energy future. Instead, with the energy challenges we are experiencing across the country, it is more important than ever that we take this opportunity to craft a more responsible policy. By leveling the playing field for renewables and efficiency measures, we can and must ensure that our national security becomes more safe and secure through diverse energy sources.

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Of course, we cannot expect renewable energy to meet all of our energy needs right away. I wish we could, but we cannot. We can make it a Federal priority to give renewables a more prominent role among energy sources. Unfortunately, Federal investment in renewables and energy efficiency has declined over the last 20 years. That is why CREEA, my bill, aims not only to reverse that harmful funding trend, but also to set a goal for our Nation that at least 20 percent of the energy generated in the United States be produced from nonhydro renewable energy sources by the year 2020.

CREEA calls for new investments in renewable energy and energy efficiency research and development, as well as competitive grants to help bring these green technologies to market. In the bill, regulatory provisions will eliminate barriers to development to put renewables on par with traditional energy sources.

Aside from energy efficiency provisions for schools, homes and vehicles, CREEA also calls on the Federal Government and the Architect of the Capitol to set an example here in Washington by adopting renewable energy standards and improved energy efficiency measures. After all, the Federal Government must do our part, its part, to use more clean, renewable and efficient energy resources and technologies.

CREEA also offers tax incentives to both individuals and corporations for increased investments in renewable technologies and for embracing energy efficiency products, buildings and technologies. With smart, aggressive policies, we will encourage the development of green industries.

Mr. Speaker, putting a priority on forward-thinking domestic options like renewable energy and energy efficiency technologies and encouraging conservation is smart public policy, policy that will protect our environment and provide a secure energy future for our children, and I urge my colleagues to support this approach as we debate the national energy policy for the future of this Nation.

Mr. Speaker, I thank the gentleman from Oregon for including me in this special order.

Mr. DeFAZIO. Mr. Speaker, I thank the gentlewoman for her comments.

Mr. Speaker, it is important that we look toward the future and not toward the past for the energy supply for the United States of America. We can both have energy sources that are more gentle on the environment and deal with the problem of global warming, and are more stable and more affordable for the people of our Nation so we will no longer be held hostage to OPEC and other cartels around the world who basically blackmail us from time to time in jacking up the price of oil and extorting from American consumers.

I think her legislation is a very, very important addition to getting something that looks forward instead of back, and I thank the gentlewoman for her contribution.

Mr. Speaker, today we had Secretary Norton come before the Committee on Resources to update us on where they are on the President's national energy policy. In reading her testimony, I was interested to see that she said despite the statements of Vice President Cheney of about 6 weeks ago where he said conservation and renewables, that might be a personal virtue, but it is nothing for a national energy policy to be based upon.

Despite the fact that over the last 20 years this Nation has gained 4 times as much energy from efforts in conservation and renewables than from new energy development based on fossil fuels, nuclear and other traditional sources, 4 times as much, the Vice President says that might be a personal virtue, but we cannot base policy on it.

Mr. Speaker, there seems to have been a backlash, and the administra-

tion seems to be very quickly backpedaling on the statements of Vice President Cheney. In fact, today Secretary Norton said, remember, the President's energy policy, this blue book written by Vice President Cheney, 50 percent of that is based on conservation renewables and other sustainable energy sources. I said, Madam Secretary, that is an extraordinary statement. I said, tell me, 50 percent of what in this book, 50 percent of the projected new energy supply? When I look in the back, I see that they are projecting 2.8 percent of our energy over the next 50 years might come from sustainable renewable sources and conservation, so it was not 50 percent of the new energy. They are projecting 93.2 percent will come from conventional fossil fuels and nuclear power. I said, I am a bit puzzled. Is it 50 percent of the investment? I said, I remember the President's budget dramatically slashed investment in conservation renewables and sustainable energy sources, things that could make the United States of America energy-independent.

She said it is 50 percent of the words in this proposal were on conservation, renewables and others. I would even challenge that, but I have not gone back to count up to see really whether 50 percent relates to those things.

So words are what we are getting here in this blue book and not a forward-thinking energy policy. The administration again staunchly defended going into ANWR, despite the fact that they admitted that no one has come anywhere near fully exploring the potential of the National Petroleum Reserve, which was just let out for leasing last year by the Clinton administration just before they left office, and the potential finds and the already discovered finds in the former National Petroleum Reserve, it will no longer be a reserve for national security purposes, will be diverted into the existing pipeline system and may well exceed the capacity of that system for some time to come.

She admitted, as has every other administration witness, if there was recoverable energy at economic values in the Alaskan National Wildlife Refuge, they want to lease it now to be sure that it gets drilled; but they do not expect that a drop of that oil will flow for 10 years. Not a drop. So it is not addressing our immediate concerns.

Beyond that, I said, Madam Secretary, if it is such a crisis that we have to go into the last pristine area in the United States of America to explore for oil, does the administration think that oil should be kept here at home in the United States of America, as the law provided until 1996 when the Republicans took over Congress, and at the behest of the oil companies lifted the ban on the export of oil from Alaska?

She said she would have to get back to me on that. She certainly intended that the oil produced in Alaska should

principally benefit the people of the United States of America, but she would not go so far to say that oil ought to be kept home, processed in the United States and used by the citizens of our country; but she will get back to me on that. I pointed out that President Bush could do that tomorrow by Executive Order. There is authority in the law for President Bush, if he believes that there is an energy crisis and a shortage and that is what is driving up the prices, he could tomorrow with a simple stroke of his pen rescind the authority for those oil companies to export our oil from Alaska.

Mr. Speaker, that would be a concrete step that could be taken, and certainly sending a message to the American people, and also sending a message to OPEC, which is we are not going to take this. We are not going to let them jack up prices over there and extort our consumers in the short run while hopefully this Congress acts to adopt a more forward-thinking energy policy for the future based on new technologies so we can break our dependence on the oil cartels in the long term. In the short term, we do not want to have consumers extorted and bankrupted by them.

Let us send them a strong message. We could do that by the President saying he is going to keep the Alaska oil home. We could do that in a number of other ways to show that we, in fact, in the United States are not going to be patsies, but this administration has chosen so far not to do that.

Mr. Speaker, there are so many subjects to be covered in this area, this is just sort of a beginning. I see the gentleman from Oregon (Mr. BLUMENAUER) has joined me, and I wonder if he might like to address some of these subjects.

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding.

I do appreciate our taking the time this evening to explore in greater detail the other side of some of these questions because it is indeed complex. It is indeed important.

As the gentleman pointed out, there are a wide range of interests that are coalescing. They may not agree on a lot. Conservatives, liberals, people from the East and the West, even some of our friends from California step back, and they are looking at what has been advanced by the administration with skepticism and in some cases wonder.

I personally just returned from the Arctic Wildlife Refuge. It is an area that I have not visited before in previous trips to Alaska, and I have heard people on the floor make some assertions. I wanted to take the time to see for myself, to put in context the reports that we are given, the information that comes forward. I must say that I do not pretend to be an expert based on less than a week of hiking, camping, exploring the wilderness, flying over some of the vast stretches, talking to Alaskans of a variety of different perspectives, including spending

time in the Prudhoe Bay area with representatives of the petroleum industry.

Mr. Speaker, I must say having visited some of the BP operations, having Fourth of July in the snow, roasting hot dogs as part of their Fourth of July celebration on a man-made island on the Arctic Ocean, I came away impressed with the professionalism and dedication of the men and women working in the industry. But I also came away struck with the rather wide range of the area that is already available for oil exploration, the billions of cubic feet of natural gas that are being pumped down back into the ground that are available for energy purposes, and, if the circumstances and costs are right, that would be available to us.

I was struck by the magnitude of the Alaska pipeline, which is now 25 years old. I have a certain personal relationship to this. My father worked on the pipeline until the day he died. I had some input from him about the challenges based on his experiences there. But it is aging.

Just yesterday we saw in the Wall Street Journal a front-page article that the State of Alaska, covering the inspections of people in this area for this vast infrastructure which pumps more oil in 3 days than is pumped from the entire State of Indiana in a year, and it has approximately one-half the inspectors, only five people inspecting this vast infrastructure which is aging and subjected, despite the professionalism and dedication of the employees and, I think, the good intentions of the industry, I take it at face value, but there is not much that inspires my confidence when I think of the volume of it. Then when I consider what was there in the Arctic Wildlife Refuge, this amazing vista, the tussock grass, where you could literally see for miles and hike for hours and be completely unaware of how far you had gone, seeing hundreds of caribou in a relatively small area, and in the course of 3 days had seen thousands of them, and had some sensitivity to how fragile that area is and how fragile it is in terms of the habits, in terms of the calving cycle of this vast caribou.

I did see some caribou around Prudhoe Bay that we see in some of the pictures, but I had an appreciation for the vast fragility of the tundra; small willows that are 10, 20, 30 years old that are only inches high and thinking about what would happen if there were problems there. I came away with a profound sense that the American public is right. The Arctic Wildlife Refuge is absolutely the last place we should be exploring for oil, not the first.

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The gentleman referenced the much-debated comment from our Vice President dismissing the notion that conservation may be a virtue, but it should not be the basis for a rational national energy policy. I think the American public, and I certainly agree, conclude that he has it 180 percent

wrong. You cannot have a rational national energy policy without beginning with the notion of conservation and wiser use of our energy resources. And it does not have to drive the American public back to the Stone Age. Our friends in Japan have been able to manufacture a hybrid vehicle that will get 60, 70 miles per gallon. There is a 6-month waiting list for American consumers. Yet the American Government in the 5 years I have been in Congress, we have been prohibited from even studying extending the vehicle miles for the CAFE standards and having more fuel-efficient automobiles.

It has been represented to me that the difference between SUVs that get the abysmal mileage that they get now and the potential for bringing it up to the overall fleet average would be the difference for the typical SUV, the gap here is the equivalent of leaving your refrigerator running with the door open for 6 years. This is not technology that is beyond us.

We hear people making rash claims that we have to have the administration's proposal of building a power plant a week and the attendant economic cost, the attendant environmental cost, and they will throw out arguments like, Well, we haven't had a nuclear plant licensed in this country in 20 years. Well, they are right, we have not had a nuclear plant licensed in this country in 20 years, but what they do not tell you is that we have not had an application for licensing in more than 20 years. Industry has recognized that it is not a good investment. And for the administration to put forward half-representations, arguing for the notion that we are going to build a plant a week and ignore simple, commonsense steps to improve energy conservation, I think completely misses the target.

Again, two last things and I will turn this time back to the gentleman. I know that there are others that wish to join the gentleman from Oregon (Mr. DEFazio), and the last thing I want to do is disrupt his train of thought too much. As dean of the Oregon delegation, I have too much respect for his rhetorical and intellectual capacity to do that, but if he will permit me to make two other observations.

Number one, it seems to me that we can take steps, and we may hear from some of our friends in California who have had some energy difficulties which they are working their way through, we may be hearing about that this evening, but the simple, expedient step of having roof colors, and you do not have to go all the way to having a green roof, but just having a reflective color, can cut the energy requirements for air conditioning one-third. Having concrete instead of asphalt can lower the temperatures of our cities 2 degrees, the heat island effect that we are seeing in major metropolitan areas. Not only will those roads last longer, but that will save energy.

Last but not least, it seems to me that if in fact we have several trillion

dollars that we do not need to invest in essential government services over the next 10 years, which as we note as each day goes by it looks as though we do not quite have the resources that were represented to us; a better use of this, rather than some of the tax reductions for people who need help the least, would be to provide tax credits and incentives for our citizens, particularly low- and moderate-income citizens, to be able to afford more fuel-efficient air conditioners, heating, other appliances which again would save huge amounts of money for not having to invest in energy production, would save the cost of energy for these individuals, and would be a shot in the arm for American industry. I think these are more appropriate approaches, rather than discounting energy conservation and simply building an energy plant a week.

I appreciate the opportunity to join the gentleman this evening. I appreciate his leadership and look forward to further discussion.

Mr. DEFAZIO. Just taking up what the gentleman was talking about, tax credits for Americans, for consumers, to help them meet their needs at home or at work or purchase more energy-efficient transportation, to create a market for that and help our people, that unfortunately did not make the cut in the blue book here. But what did make the cut, for instance, is royalty relief.

For those poor suffering oil companies, we have got to have some royalty relief. Of course I am certain that they will pass those lowered costs on to the consumers. The estimate is that the Bush energy plan would lower royalties by \$7.4 billion over 2 years. That is money that should flow to the Federal Treasury for all the taxpayers in the United States of America because of the extraction in our coastal areas and inland areas of oil and gas, would be reduced by \$7.4 billion under the proposal of the Bush administration.

Now, of course, these are the same companies that just last year entered into a plea bargain in a criminal case for defrauding the taxpayers of royalty revenues and entering into an unprecedented \$443 million civil settlement with the Justice Department. But, of course, that was the Clinton Justice Department, and I do not think the Bush Justice Department is going to be pursuing too many defrauded American taxpayers' royalty claims. In fact, no, they are much more up-front about it: Hey, let's just forgive the royalties altogether. This is the basis for an energy policy.

Certainly we do not need to forgive the royalties to get these people to explore or pump oil. Let us look at the profits. Last year, ExxonMobil profits, \$15.9 billion, a 1-year, 102 percent increase. Chevron, \$5.1 billion, a 150 percent, 1-year increase. Texaco, \$2.5 billion, 116 percent, 1 year. Conoco, \$1.9 billion, 155 percent. Phillips Petroleum even better, 205 percent. And on down the list. These people need relief? They

need encouragement from the taxpayers? They need subsidies from the taxpayers to explore for oil and gas? I do not think so. In fact they should be giving money back to the taxpayers because they are fleecing the taxpayers to show those sorts of profit increases in one year.

So the gentleman is exactly right with his orientation of where we should be investing or forgoing revenue for the Federal Government, should be oriented toward small businesses and consumers and others who want to invest in energy-efficient measures, not those who want to go out and extract yet more oil and gas from sensitive areas in our coastal plain, our national monuments and elsewhere.

From there, I believe we would be well served to get into the area of electricity. Most recently in the western U.S., the most extraordinary manifestation of an energy crisis that we have seen has been the rolling blackouts and brownouts in California, the fact that the total electricity energy bill in California went from \$7 billion 2 years ago to \$27 billion last year and is projected to go to over \$50 billion this year. The fact that we have found out that even in the Pacific Northwest, we are paying higher average wholesale prices but thankfully thus far have been buffered by our Bonneville Power Administration and our own energy production from having to buy too much; but next winter we may be in the very same soup that California has seen over the last year.

Now, the question would be, Is this a justified increase? Is this such a shortage and such a precious commodity that you can justify increases of up to, well, if you went from \$30 an hour average megawatt 2 years ago to the high price that has been charged up over \$3,000 a megawatt, a 1,000 percent increase in 1 year in the price, there is a real question. There is no one who is more expert on that than the gentleman from San Diego, who comes from ground zero in terms of the electricity energy crisis, market manipulation and price gouging in the western United States. I yield to the gentleman to educate us a bit on what has been going on down in his district.

Mr. FILNER. I thank the gentleman from Oregon for yielding, and I thank him for his leadership. I recall over the last few years the gentleman from Oregon talking about the problems with deregulation. Very few of our colleagues listened. But now we are witnessing them, and he was right. And California has been the greatest example of that. He mentioned rolling blackouts. He mentioned manipulated markets.

Let me tell you what happened one day in January of this year. We suffered several hours of rolling blackouts in San Diego. That had, just a few hours, a tremendous impact. Companies in production lost millions of dollars worth of production. People who could not deal with the traffic lights

off, we had near fatal accidents. People stuck in elevators. The largest company sending people home and not getting a paycheck. At that time, at a time of the rolling blackout, with all these disruptions, the biggest generator in San Diego County was not in operation. It was shut down, not due to any maintenance; it was just taken out of service.

Now, we have examples of that all through the last year where production was down, not for maintenance, not for any environmental reason but to bolster the price, because in a controlled market, if you withhold supply, you can increase the price. What occurred in San Diego at what we call the South Bay Power Plant in my district operated by the Duke Energy Corporation, they took generators out of service, not only during the blackout but many times during the year.

We just recently had five former employees of that plant who worked there for a total of 100 years. These are not newcomers. They know what is going on in that plant. They testified under oath to a State Senate committee that not only were these generators down not because there was any real lack of need for them, we were in a rolling blackout, but purely related to the price that could be gotten or withheld because of an attempt to raise the price. They testified that the generator floor was in constant contact with the marketing floor of the corporation. And they ramped up and down their production according to the price, not according to the need. They testified that they were asked to throw away spare parts, so it would take longer in any maintenance situation.

That leads me to believe that this is not primarily a supply and demand problem, although we have tight supplies and the Governor of California is doing everything he can to increase those supplies; but this was a crisis of a manipulated market brought on by deregulation which the gentleman from Oregon foresaw.

Mr. DEFAZIO. I think the key point and one of my principal objections to deregulation was that it severed the relationship between a utility and the consumer. Historically in this country from 1932 until very recently with deregulation, utilities had a duty to serve. Their highest duty was to keep the lights on. They maintained a buffer over and above their demand or their anticipated demand. They were required to do that. They were required to, except in times of catastrophe, provide as nearly as possible 100 percent reliability.

Mr. FILNER. And they made a healthy profit doing that.

Mr. DEFAZIO. They certainly did. They always were favored by investors. They had no problem raising money. It was an industry that was known as a good place to put your money for a reliable and very healthy rate of return.

Now, what happened as the gentleman just pointed out with Duke and

with all the others, they are no exception, is that they no longer had under deregulation a duty to serve their customers. Their only duty is to serve their stockholders and the people on Wall Street. If they can make more money by blacking you out, shutting you down, closing other businesses for lack of power, it is their duty, their fiduciary responsibility as their board of directors sees it to do that. That is why they tied their floor traders to the plant operators.

□ 2015

It is absolutely outrageous to think that that is what the system has come to.

Mr. FILNER. They made almost a billion dollars doing that in the course of the year. By the way, just to emphasize the gentleman's point of the cut in relationship to the community, the five employees I mentioned lived in our area were community members, paid taxes, had their kids go to school. They were let go. Apparently, Duke did not want people tied to the community working in their own plant.

There is insult to injury. I would say to the gentleman from Oregon (Mr. DEFAZIO) that in this case I just told him about, the plant was being ramped up and down for profit, which stole a billion dollars out of our economy, is a public plant. Under the deregulation law, the San Diego Unified Port District bought that plant and leased it to Duke and leased it for very, very, let us say, favorable terms. The terms under which they leased the plant they thought they would recoup their investment in 5, 7 years. They got it back in 3 months. That shows what the prices were that they charged.

They leased this plant from the public so they are stealing from the people who own this plant. They have violated the lease terms that they were under. They were supposed to operate that plant in a prudent manner. It is a *prima facie* case that they had not and these employees testified that they had not.

I think the Port District, a public agency in San Diego, ought to break that lease, take back the plant, operate it in the public interest. They produce power there for three or four cents a kilowatt. As the gentleman pointed out earlier, a thousand percent increase in the price they were charging us up to \$4.00 a kilowatt. So here we have the most obscene price gouging.

Duke, by the way, was the one that charged that \$4,000 a megawatt, or \$4.00 a kilowatt, hour and they did it out of a public plant. I think San Diego consumers ought to demand that that plant be taken back. It is our plant. Let us show that we can produce the electricity at a reasonable rate and still protect our environment. So this is a case study of enormous greed, and I think San Diegans understand that they have been gouged and they are ready, in fact, to embark with a municipal utility district, take over plants

such as the one I mentioned, the South Bay Power Plant, and begin to get out of the control of this energy cartel.

Let me just conclude this part by saying, the gentleman made the point earlier about how we need renewables. He made the point earlier about how we need conservation. Everybody in California, as I am sure in Oregon, is doing everything that they can to do that. Only the Federal Government can deal with the wholesale prices. Only the Federal Government can regulate that. Our President has chosen not to be involved. Our vice president has refused to listen. The Federal Energy Regulatory Commission has taken some baby steps in this direction, but the Congress should impose what is called cost-based rates on wholesale electricity prices and refund all the criminal overcharges since last summer when this started. Then we can begin to talk about a national energy policy, and as the gentleman pointed out, the President's plans say nothing about this area.

Mr. DEFAZIO. Unfortunately, the President's plans do say something about this, but it says what we should do is spread retail deregulation nationwide. We are going to take the model of California and we are going to impose it on the rest of the States of the United States of America.

Now, if there was some place we could turn to and say, well, look, look how great deregulation has worked, well, first off the model was Great Britain. They are still trying to fix the problems they created with deregulation. Their prices are 70 percent higher than the average in the United States. They suffer a much higher percentage of blackouts, brown-outs. They have extraordinary complaints about service. That is the model on which the 1992 deregulation was written.

Maybe we have done better in the States. Let us turn to some of the pioneers in the United States. Montana in my region, they have seen rates for industry, which was deregulated, as were the rates in Montana, go up by 1,000 percent because Pennsylvania Power and Light bought all of the generation in Montana, which is a State that can produce 150 percent of its needs and they can make more money by exporting that power, some of it to the gentleman, and charging extraordinary prices for it. So that has not worked out real well in Montana.

Rhode Island, another pioneer, prices are up 66 percent. The list goes on and on and on. Everywhere that we have seen energy deregulation, with the promise of competition, lower prices, better service, we have seen higher prices, worse service and now rolling blackouts and brownouts. Guess what? I have never had an Oregonian come up to me and say, Congressman, I am tired of this utility that provides me electricity day in and day out at a reasonable price; I want a chance to choose my energy provider the way I get those phone calls at 5:00 at night from AT&T

and MCI and all the others, offering me stuff that I cannot quite fathom and does not ever really seem to work out quite the way they promised it but every once in awhile they send me a \$15 check if I change from one to the other. No one has come to me and said I want to impose that system on my electricity, I want to guess whether my electricity, my lights, are going to go on or off, what my bill is going to be. No, they do not want that. Americans want reliable, affordable electricity and they are not getting it under this system.

Now some people are doing very well. We have mentioned a few. The gentleman mentioned Duke Energy. Their profits were \$1.8 billion last year. That is a 109 percent 1-year increase. That was before they got into this really overt manipulation described by the employees to drive the prices even higher. So we can expect that they will do even better in the next year.

El Paso Natural Gas, of course, is now under investigation for having withheld gas from the pipeline. Somehow gas provided in Texas shipped to California, which is a little closer to Texas than New York City, was sold at four times the price in California than it was sold in New York City and somehow they did not use a very significant portion of the pipeline capacity, which contributed to the run-up in the price. They had a \$1.2 billion profit, a 381 percent 1-year increase. Not bad, and, of course, they share the wealth. Now do they share it with the consumers? Well, no, not exactly. But they do share the wealth.

A number of these companies have very generously shared the wealth with their CEOs. For instance, with Enron, who I mentioned earlier, who had a \$979 million, nearly a billion in profits last year, the CEO netted \$123 million all by himself by cashing in stock options which the company created, both hurting other stockholders and obviously money extracted from a whole lot of consumers. He only got \$40 million in 1999 and ten times what he got in 1998.

Mr. FILNER. It works.

Mr. DEFAZIO. Deregulation is working for a few individuals.

Mr. FILNER. When I hear those figures, I wonder how these people sleep at night. I can again look at my own district where we have been experiencing these problems now for a year. We have scores of small businesspeople just had to close up. I mean, we have had people in my office in tears that their family businesses that have been in their family for 40, 50, 60 years, they could not sustain electricity cost increases of first 100 and then 200 percent. There was no way. In fact, 65 percent of small businesses in San Diego County, by a recent Chamber of Commerce report, face bankruptcy this year if these prices continue, 65 percent of small businesses.

Now, if this were an earthquake or a hurricane or a tornado, the Feds would be in there instantly and offering loans

and helpful economic incentives. This is worse than 10 or 20 earthquakes and the Federal Government has not been seen. I do not care if it was the Clinton administration or the Bush administration, the Federal Government chose not to help out. These are incredible human problems. It is not just statistics. When the person on a fixed income whether, they be older or younger, who is faced with a doubling or tripling of his or her utility bills and they have to choose now not between just food and medicine but between food, medicine and a comfortable sleep with air conditioning, this is ridiculous. This is tragic. This is criminal, in my opinion. We have not acted. We have not even had a debate on the House floor about any of the legislation that we have proposed to try to deal with this. The leadership of this House has chosen not to bring up any bill, any bill.

We have what is called a discharge petition. That is a mechanism that if a majority of the Members of this body want to discuss a bill, whether the leadership does or not, we can. We have had to go to those lengths to try to get a discussion of a situation which can still destroy the economy of the western States. I do not understand it. I have been struggling to have my constituents' voices heard in Washington, but there seems to be a deaf ear to our complaints.

When I listen to the recital of the kind of income that the CEOs have made, I just get madder and madder. Those people ought to be in jail, not receiving these kinds of checks.

Mr. DEFAZIO. If the gentleman would yield back, we have not had yet the extraordinary impact that the gentleman has felt in San Diego but it is coming. We are looking at a 47 percent rate increase this winter with the Bonneville Power Administration because we are having a drought. That normally would not be a big problem because we normally would turn to our neighbors in California and say look, wintertime, you have a lot of excess capacity, we would like to buy some electricity from you for the winter. We have traditionally done that. In the summertime, during the gentleman's high demand season, we have sold to him. We cannot sell to him this year because of the drought, but we would buy from the gentleman next winter and hopefully it will snow and rain next winter and we will be back into that normal equilibrium.

Confronted with these kinds of markets, our Bonneville Power Administration has to go to extraordinary lengths to shed load for the coming winter, closing down the aluminum industry, getting all the other utilities to guarantee that they would reduce their consumption by a minimum of 10 percent, and still we are going to see this 47 percent rated increase because they are going to have to buy some power in this outrageously priced wholesale market. In anticipation of that, some of our utilities have already

raised their rate. A little tiny municipal utility in Drain, Oregon, raised rates this winter. When I had a town meeting there back in April I had a kid come in from the school and say, do you know that last winter we asked if we could bring blankets to school to wrap ourselves during class because it was so cold in the schools? She says it was so cold in the school, they could not afford the heat, she says that the pipes burst during a cold spell, and we are sitting there wrapped in blankets. Yet, Ken Lay at Enron gave himself \$123 million bonus. Some of that money came from the kids' parents in Drain, Oregon. A lot of that money came from the small businesses in San Diego, California.

Now this same gentleman is one of the principal authors of the national energy policy. When Vice President CHENEY was asked to name who he met, he said I met with lots of people when I developed this document, lots of people. They said, well, name some. He said, well. They said, Ken Lay of Enron? And they said, was that the only person? He said, no, I met with lots of people, but he will not tell us who the other lots are.

He did admit that he met with Ken Lay of Enron, the same Ken Lay of Enron who called the chair of the Federal Energy Regulatory Commission, who is no friend of consumers, Mr. Hebert of Louisiana, who has refused to act to rein in prices, but he even called him to say that what he was doing was not enough for his company as chair of the Federal Energy Regulatory Commission and if he would do what Mr. Lay wanted, well, then they might be able to assure him that he could continue to be chairman.

Mr. Hebert, again no friend of consumers, was outraged. He went to the press about this and said I cannot believe that this gentleman called me.

Well, this is who is writing the energy policy of this country.

Mr. FILNER. Some of our colleagues do watch us as we make these statements and talk about the situation in the West, and they say stop your whining. It is your own damn fault. If you did not have these environmental whackos in California and Oregon who stopped the building of power plants, you would not be in this situation.

Now I would like to hear what the gentleman says to them, but I say that is the ridiculous argument. Number one, it was the private sector in the West that chose not to build power plants because they had calculated that they had a surplus. They miscalculated that, but that was a decision made in their economic interest, they thought, not because of any environmental regulations.

I am going to soon announce in San Diego the building of a new power plant, hopefully about a thousand megawatts, built by a responsible citizen of San Diego who has built power plants all over the country and in fact has won environmental rewards for them.

□ 2030

He is going to show that you can follow every environmental regulation that is there to protect us, every permitting policy, build a plant in a rather quick amount of time, and charge what would be the price under previously regulated rates, say a nickel a kilowatt, as opposed to the 40 cents, \$1 or even \$4 we have been charged. He is going to put a lie to the notion that it was environmental wackos who caused this.

We are going to have a plant in San Diego that is environmentally sound and produces electricity in a reliable fashion and at moderate price, at a price we can afford in San Diego. When we have control, I hope the City of San Diego or the County of San Diego will own that power plant. That will give us one-third of our needs and give us tremendous leverage over the whole system.

But I am sick of hearing that somehow we caused this thing because we were trying to protect the environment. I know the gentleman has heard the same arguments. I think we have to answer those directly and show that what we are proposing makes more sense to solve this issue.

Mr. DEFAZIO. In fact, I would quote from a spokesman for Reliant Energy on January 25 from the Los Angeles Times. He stated that "claims that air quality restrictions were holding back output were absolutely false."

Similarly, in May in the New York Times, "Industry executives have been pressing to get relief from environmental laws, most notably the Clean Air Act and land use restrictions, but such regulations are viewed by many executives as nuisances," of course, they do not live there and breathe the air there, "rather than barriers to meeting demand. This is borne out by the ongoing surge in construction of transmission lines and power plants that has occurred without any easing of environmental regulations, despite the best efforts of the Bush Administration."

So, this is a falsehood that was initially and early widely perpetuated across the West that this was a self-induced trauma. Of course, that was before we had the numbers to show that all these plants were off line and driving up the price. In fact, California was about 30 percent below its maximum production a number of times when the lights went out. The winter is your low demand period. That is when you usually export energy. Yet the prices were sky high and you were experiencing rolling blackouts and brown outs. This was not the fault of environmental restrictions, it was the fault of greedy companies.

The interesting thing is they have been reined in a little bit. As the gentleman and I know, we tried to get the Federal Energy Regulatory Commission for months to act. Their own staff had found that these prices violated the law, they were not just and reasonable. That was a staff finding by the

Federal Energy Regulatory Commission.

But Mr. Hebert, as Chairman, refused to take action and do anything about that, refused to do further investigations beyond one whitewash investigation saying there was no manipulation of the market. We now have a GAO report saying there is no way they could have reached that conclusion. They do not have the documentation to reach that conclusion. Yet he refused, stonewalled, stonewalled, it was called a sit down strike at FERC. I attended one meeting where he said he would pray for us, but that was all he could do.

Mr. FILNER. I think this administration has a faith-based energy policy. They not only pray for us to do something, they pray to the market where there is no market.

Mr. DEFAZIO. Well, that is exactly it, worshipping the market where there is no market. But, finally, and strangely, after the Senate changed hands from Republican to Democrat and two committees subpoenaed in the Federal Energy Regulatory Commission and their staff to come in under oath and testify about what was going on in western energy markets, somehow 2 days before they were supposed to testify in the United States Senate under the new Democrat control, FERC held an emergency meeting and imposed some minimal price caps.

Now, this is something they refused steadfastly to do for the first 6 months of the Bush Administration. But, suddenly, just because of a little tiny bit of scrutiny, let alone real scrutiny, let alone real regulation, let alone enforcement of the law, investigation by the Justice Department for price fixing, market manipulation, price gouging and all of the other things we know is going on, you cannot take the price of an essential commodity and drive it from \$7 billion for the same amount of energy to \$27 billion in one year, have profits increase by 300 percent, and then drive it the next year up by another 100 percent, without there being collusion and manipulation in that marketplace. Yet the watchdogs, the toothless, sleeping watchdogs at FERC, led by Mr. Hebert of Louisiana, are just like, oh, we are not quite sure what is going on.

In fact, I had some FERC people into my office last week and we talked about there is a new area coming. They are going to game transmission right now. Right now they are just gaming generation, but they figured out a new, bigger, more lucrative potential game for the future, and it is transmission.

Mr. FILNER. The gentleman said it earlier, that Enron and the President were trying to get a national system which this could then more readily control. But I would like to also underline what the gentleman just said both manipulation of the market to increase the prices and also the incredible suffering in California and the West.

Not only does that market control give them the ability to fix the prices,

but, tragically, for the future it allows them to pick and choose which energy sources will be studied and given development, and they have chosen, because they cannot control it, not to allow research and development into solar, into wind power, into geothermal and all these other renewables, where we know a big part of the answer for our future energy needs lies, and yet we have had no interest in them because these companies, which control the price, control the research and development also and have refused to allow that to occur.

So this Congress ought to be looking not only at, as the President, new production and et cetera of the fossil fuels, but the structure, the economic structure of the energy industry, which not only has fixed the prices, but has foreclosed or attempted to foreclose part of our future by not allowing the research and development that we so desperately need in these other areas.

Mr. DEFAZIO. If the gentleman will remember back 20 years, back in 1980 the United States of America through our labs, Federal labs in Golden, Colorado, was the world leader in photovoltaics, an endless source of energy coming from the sun, that could replace fossil fuels, could provide for quality electric, if we could get the price of photovoltaics down.

The Reagan Administration sold that research and all of the proprietary work that had been done to the ARCO Corporation, and then the ARCO Corporation sold it to Siemens of Germany, and now the Germans are the world leaders in photovoltaics based on research paid for by U.S. taxpayers, and some day we will probably be buying photovoltaic solar cells from the Germans, like we are having to buy oil from the OPEC cartel.

These future supplies of renewable and sustainable energy are going to be more important to us, and for the United States of America, for the President of the United States to slash investment, which he did in his budget, in these sorts of research, is cutting the legs out from underneath the American consumers, the American people and American business and industry, to make us a sustainable and affordable energy future.

We need to be investing more in fuel cells, more in photovoltaics, more in wind energy and tidal sources of energy being used in Europe. All these extraordinary, absolutely benign renewable resources are being ignored with one focus, and that focus is on fossil fuels and the profits of that industry and perpetuating that industry.

I had a constituent testify at a hearing, and said Congressman, the stone age did not end because they ran out of rocks. He said they developed new technology. But this administration is attempting to stonewall that new technology. In fact, they want to turn back to the technology of the fifties. They want to go back to nuclear energy, let alone the fact we have not figured out what to do with the waste we have

now and it is disbursed all around the country.

Mr. FILNER. What they have done with their tax plan is, of course, give several trillion dollars to the wealthiest of our Nation, where if you put tax incentives into the photovoltaic technology you mentioned, put tax incentives into some of these renewables, we could bring down the price and make it affordable.

We in San Diego boast of our 330 days or so of sunny weather. That sustains solar panels, that sustains photovoltaic cells. If we could bring down that price and put that technology into work in our homes and businesses, we would be free of this energy cartel that we have been talking about tonight that has so disrupted our lives and future.

So, in every way where you look, tax policy, FERC, the way the President's energy policy is, we see a dedicated effort to deny American citizens a future of low-cost, reliable sustainable energy. I think that is a criminal offense, in my opinion, and this Congress should take greater heed of what is occurring.

I thank the gentleman for educating us tonight.

Mr. DEFAZIO. Our time is about expired. I do not think really I can end on a much more eloquent note than the gentleman just made, which is that there is sort of two paths that can be chosen for the American people at this point in time. One is a sustainable, reliable inexpensive energy put future, and the other is more of what is going on today, crisis after crisis, higher prices, price gouging, manipulation, and being held hostage by the OPEC cartel and the other traditional proponents of the energy industry.

I would like to choose a new path for the 21st century. So far the administration is choosing the 1950 path.

Mr. FILNER. Amen.

THE PRESIDENT'S PLAN FOR ENERGY

The SPEAKER pro tempore (Mr. OSBORNE). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. RADANOVICH) is recognized for 60 minutes as the designee of the majority leader.

Mr. RADANOVICH. Mr. Speaker, I appreciate the privilege to come on this floor and talk about the President's plan for energy and for the future of the United States of America.

I wanted to make a couple of points in response to the speakers of the previous hour regarding the situation in California. I am from California. I represent Fresno, California, and the central part of the state, where we too are at ground zero of the California energy crisis.

There were a couple of statements made earlier which spoke ill of deregulation and used California as an example of that, and I would like to clarify that in California there was never really a deregulation plan. It was half a deregulation plan.